



NIRB File No.: 12EN012
AANDC File No: N2012C0001
NWB File No.: 2BE-QIL0712

February 20, 2013

The Honourable Lorne Kusugak
Minister of Community & Government Services
c/o Randy Mercer
Regional Lands Administrator
Department of Community & Government Services
Government of Nunavut
P.O. Box 490
Rankin Inlet, NU X0C 0G0

Via email: rmerc@gov.nu.ca

Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Stornoway Diamond Corporation's 'Qilalugaq' project, Kivalliq Region

Dear Randy Mercer:

On February 5, 2013 the Nunavut Impact Review Board (NIRB or Board) received an application from the Government of Nunavut – Community and Government Services (CGS) for a new Land Use Permit for Stornoway Diamond Corporation's "Qilalugaq" project proposal.

Please be advised that the original project proposal (NIRB File No.: 12EN012) was received by the NIRB from Aboriginal Affairs and Northern Development Canada (AANDC) on January 4, 2012. The NIRB also received a positive conformity determination (Keewatin Regional Land Use Plan) for the file from the Nunavut Planning Commission on March 21, 2012. The project proposal was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA) and on May 4, 2012 the NIRB issued a NLCA 12.4.4(a) screening decision to the Minister of Aboriginal Affairs and Northern Development which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

The current CGS application, the original NIRB Screening Decision Report (File No. 12EN012) and related file information are available from the NIRB's ftp site at the following link:

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 12EN012), the Qilalugaq Project proposal was located within the Kivalliq region, approximately 10 kilometres from the community of Repulse Bay. The Proponent indicated that it intended to conduct a bulk sampling program over a six week period during either July and August of 2012 or July and August 2013. Timing of the program was to be dependent on weather, logistics and resources.

The activities and components associated with the previously screened proposal included:

- Bulk sample program to extract approximately 1,500 tonnes of material (trenching/excavation);
- Survey of select group of mineral claims (2012 only);
- Use of helicopter to:
 - Transport personnel and equipment to and from site daily
 - Transport contractors to conduct surveys on daily basis
 - Transport of tracked mini-excavator to site
 - Transport of filled mega bags from site to Repulse Bay; ~ 40 bags/day
 - Transport of fuel drums to and from site as required
- Use of accommodations and facilities at Repulse Bay;
- Transportation, storage and use of fuel on-site. Two options presented for storage of fuel:
 - 1) Storage of fuel at secure site in Repulse Bay with minimal amount of fuel stored at site (one 205 litre drum of diesel fuel and one 205 litre drum of Jet-B fuel); or
 - 2) Storage of Jet-B fuel at site in a temporary berm (total of 58,220 litres) and diesel fuel on as needed basis (maximum of one 205 litre drum);
- Potential trenching activities to develop temporary fuel storage berms;
- Domestic waste to be hauled out each day; and
- Chemical and hazardous material storage on site.

CURRENT APPLICATION:

In order to ensure that all its permits are in place, Stornoway is proposing to amend its timeline for its bulk sampling program to either July and August 2013, or July and August 2014. In asking for a two year window opportunity to conduct the proposed program, Stornoway is making allowances for delays that might be caused by unforeseen challenges due to logistics and working in a remote location with limited accessibility.

Please note that Section 12.4.3 of the NLCA states that:

“Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:

- (a) such component or activity was not part of the original project proposal; or*
- (b) its inclusion would significantly modify the project.”*

After completing a review of the information provided in support of the current application, the NIRB is of the understanding that the application to amend the dates of the proposed activities does not change the general scope of the original project activities, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. Therefore, this application is exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original May 4, 2012 Screening Decision Report (enclosed).

If you have any questions or concerns, please contact Sophia Granchinho, Senior Technical Advisor, at (867) 793-4633 or sgranchinho@nirb.ca.

Sincerely,



Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: Nicole Westcott, Stornoway Diamond Corp.
Ralph Ruediger, Community and Government Services
Jeff Mercer, Aboriginal Affairs and Northern Development Canada
Tracey McCaie, Aboriginal Affairs and Northern Development Canada
Phyllis Beaulieu, Nunavut Water Board
Luis Manzo, Kivalliq Inuit Association

Enclosed: NIRB Screening Decision Report, File No.: 12EN012 (May 4, 2012)